



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

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Los Angeles, CA 90012

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www.dhs.lacounty.gov

*To improve health
through leadership,
service and education*



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June 13, 2008

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

**SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES'
USE OF DELEGATED AUTHORITY TO APPROVE A COST
OF LIVING ADJUSTMENT**

This is to advise your Board that the Department of Health Services (Department) is exercising its delegated authority, approved on March 3, 2004 (attached), authorizing the Director of Health Services, or his authorized designee, to approve cost-of-living adjustments (COLA) of County Agreement No. H-700234 with Desert Haven Enterprises, Inc. upon review and approval by County Counsel, the Chief Executive Office (CEO), and notification to the Board.

The Department has contracted with Desert Haven Enterprises, Inc. for the provision of landscape maintenance services since 1981 at High Desert Health System under the authority of Welfare and Institutions Code Sections 19403 and 19404. Desert Haven Enterprises continues to be a private, non-profit organization that employs handicapped persons and is exempt from the County's Living Wage Ordinance.

Consistent with Board policy and provisions of the contract, a 3% COLA increase was applied to the following line items in the Contract Line Item Budget: FICA, SUI, and Workers' Compensation. The hourly rates are being adjusted to reflect increases in the following positions: Irrigation Worker/Supervisor from \$24.21 to \$24.94/hour, Trainer Supervisor from \$11.58 to \$11.93/hour, and the Landscape Worker from \$7.50 to \$8.00/hour. Provisions of the contract require that the Contractor pay no less than the prevailing wage rate established by the State Department of Industrial Relations. The current prevailing wage rate for a Landscape Worker is \$8.00/hour. All other terms and conditions remain unchanged and in full effect.

The COLA increases the Basic Monthly charge from \$10,005.46 to \$10,224.00 and the maximum annual obligation from \$135,045.93 to \$137,670.00, effective March 1, 2008 through February 28, 2009. Desert Haven Enterprises, Inc. continues to be in compliance with all Board requirements.

County Counsel and the CEO have reviewed and approved the COLA increase.

If you have any questions or require additional information, please let me know.

JFS:pem

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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Fifth District

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

February 19, 2004

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MAR 3 - 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Violet Varona Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF LANDSCAPE MAINTENANCE SERVICES AGREEMENT
WITH DESERT HAVEN ENTERPRISES, INC.**
(5th District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign a renewal agreement with Desert Haven Enterprises, Inc. (Desert Haven) for the provision of landscape maintenance services at High Desert Health System, effective upon Board approval through February 28, 2009, at an estimated total net contract cost of \$664,565 for the five-year contract term.
2. Make a finding that the landscape maintenance services, as described herein, continue to be performed at fair market value in accordance with Welfare and Institutions. (W&I) Code, Section 19404.
3. Authorize the Director, or his designee, to execute and approve Change Notices which may delete facilities, hours, or staffing and which may result in a decrease of the contract sum. Such Change Notices will be subject to review and approval by County Counsel and the Chief Administrative Office, and notification will be made to the Board.
4. Authorize the Director of Health Services, or his designee, to approve cost-of-living adjustments (COLA), at the Director's discretion, not to exceed (3) three percent for each contract year. Such adjustment, if recommended for approval, will be subject to review and approval by County Counsel and the Chief Administrative Office, and notification will be made to the Board.

5. Authorize the Director of Health Services, or his designee, to extend the five-year agreement term on a month-to-month basis for up to six months beyond the stated expiration date if extension of the term is in the best interest of the County and is upon written mutual agreement of the parties.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving these actions, the Board is authorizing the Director or his designee to sign a renewal agreement with Desert Haven Enterprise, Inc. (Desert Haven) for the continued provision of landscape maintenance services at High Desert Health System. The existing contract expires on February 29, 2004.

The Department of Health Services (DHS or Department) has contracted with Desert Haven for landscape maintenance services since 1981 at High Desert Hospital, now High Desert Health System, under the authority of W&I Sections 19403 and 19404. The W&I authorizes governmental units, including counties, to purchase services from private or non-profit corporations which operate workshops for the handicapped without requiring advertising or calling for bids, provided the services meet the specifications and needs of the purchasing agency and are purchased at a fair market price.

DHS has determined that the rates for landscape maintenance services provided by Desert Haven are at a fair market price and operationally feasible. To determine the fair market value of the services, DHS requested Desert Haven to submit a bid package. Using Auditor-Controller's guidelines, DHS prepared a cost analysis using a Comparison of Estimated Avoidable Cost to the cost of contracting. DHS took into account prices paid by the County under similar contracts entered into competitively.

Current County policy and guidelines require the timely submission of contracts for Board approval. However, the agreement was not placed on the Board's agenda three weeks prior to its effective date due to prolonged negotiations with the contractor.

FISCAL IMPACT/FINANCING:

The total estimated net County cost for the provision of landscape maintenance services over the five-year period is \$664,565. When compared to the estimated County service delivery costs of \$1,199,880 over the same period, savings are projected to be \$535,315.

Any COLA authorized by the Department will be subject to review and approval by County Counsel and the Chief Administrative Office, and notification will be made to the Board, and will be based on the lesser of: (1) the general salary movement granted to County employees as of July 1 for the preceding twelve month period, or (2) the change in the Consumer Price Index for all Urban Consumers in Los Angeles-Anaheim-Riverside, capped at 3% per year.

The necessary funding for landscape maintenance services at High Desert Health System is included in the DHS Fiscal Year 2003-04 Adopted Budget, and will be requested as a continuing appropriation in subsequent fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Landscape maintenance services include, for example: the maintenance of turf, ground cover, shrubs and trees, renovation of turf and ground cover areas; the pruning of trees and shrubs; the provision of weed, disease, pest and rodent control; and the operation and maintenance of irrigation systems.

The term of the agreement with Desert Haven will commence upon Board approval and remain in effect through February 28, 2009, with a provision to extend the five-year agreement term on a month-to-month basis for up to six months beyond the stated expiration date. The agreement includes provisions for termination by the County upon 30 days advance written notice to the contractor.

Desert Haven is a school for handicapped persons which has provided training for such persons in the Antelope Valley for a number of years.

The agreement also includes provisions for: (1) the consideration of GAIN/GROW program participants for employment by the contractor should additional or replacement personnel be required by the contractor during the term of the agreement, (2) the new standard provisions for the Child Support Compliance Program, (3) the contractor's exclusion from participation in a Federally funded program, (4) the notice to employees regarding the Federal Earned Income Credit, (5) Contractor Responsibility and Debarment, (6) Jury Service Program, (7) HIPAA requirements, (8) No Payment for Services Following Expiration of Contract, (9) Safely Surrendered Baby Law, and (10) Indemnification and Insurance provisions approved by CAO Risk Management.

The Chief Executive Officer of facility or his designee will be responsible for day-to-day contract administration. Contract monitoring functions will be performed by the centralized Contract Monitoring Division.

Attachments A and B provide additional information.

The attached agreement (Exhibit I) with Desert Haven has been approved as to use and form by County Counsel.

CONTRACTING PROCESS:

W&I Section 19404 authorizes governmental units, including counties, to purchase services from private or public non-profit corporations operating community rehabilitation programs serving persons with disabilities without advertising or calling for bids.

The vendor was selected without regard to race, creed or color.

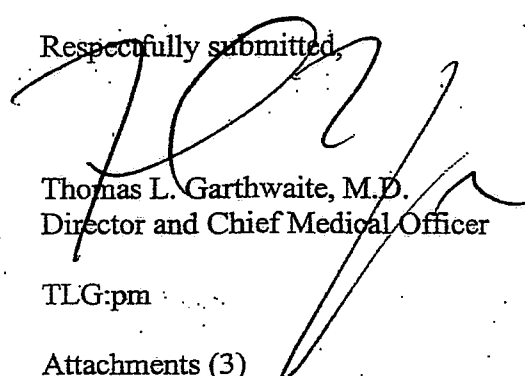
IMPACT ON CURRENT SERVICES:

Approval of the agreement will assure continued provision of necessary landscape maintenance services at High Desert Health System.

The Honorable Board of Supervisors
February 19, 2004
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:pm

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BLCD1891.pm.wpd

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

The provision of landscape maintenance services at High Desert Health System.

2. **AGENCY NAME/ADDRESS/CONTACT PERSON:**

Desert Haven Enterprises, Inc.
43437 Copeland Circle
Lancaster, CA 93534
Contact: Jenni Moran, Executive Director
Phone: (661) 948-8402
Fax: (661) 948-1080

3. **TERM:**

The agreement will become effective upon Board of Supervisor's approval and continue through February 28, 2009, with a provision to extend the five-year agreement term on a month-to-month basis for up to six months beyond the stated expiration date. The agreement includes provisions for termination by the County upon 30 days advance written notice to the contractor.

4. **FINANCIAL INFORMATION:**

The maximum first year annual contract cost will be \$132,913. The estimated total net County costs over the projected five-year term is \$664,565.

5. **SERVICE INFORMATION:**

The agreement is for the provision of landscape maintenance services at High Desert Health System.

6. **ACCOUNTABLE FOR CONTRACT MONITORING:**

The Chief Executive Officer of facility or his designee will be responsible for day-to-day contract administration. Contract monitoring functions will be performed by the centralized Contract Monitoring Division.

7. **APPROVALS:**

High Desert Health System: Beryl Brooks, Chief Executive Officer

Contracts and Grants Division: Diana Sayler, Interim Chief

County Counsel (approval as to form): Christina A. Salseda, Deputy County Counsel

**DEPARTMENT OF HEALTH SERVICES
LANDSCAPE MAINTENANCE SERVICES AT HIGH DESERT HEALTH SYSTEM**

**FIRST YEAR COMPARISON
OF ESTIMATED AVOIDABLE COST
TO THE COST OF CONTRACTING**

COUNTY		
DIRECT		COST INCREASE (DECREASE) FROM CONTRACTING
Salaries	\$124,860	
Employee Benefits	\$74,284	
Total Labor	\$199,144	
Services & Supplies	\$40,832	
Other (Equipment)	\$0	
TOTAL DIRECT COSTS	\$239,976	
INDIRECT COSTS		
Total Overhead	\$0	
Avoidable Overhead	\$0	
TOTAL AVOIDABLE COST		\$239,976
CONTRACTOR		
DIRECT		
Contract Cost	\$132,913	
Other	\$0	
TOTAL DIRECT COST	\$132,913	
INDIRECT COSTS		
Employee Retraining	\$0	
Contract Monitoring	\$0	
Other (Specify)	\$0	
TOTAL INDIRECT COST	\$0	
FIRST YEAR CONTRACT COST	\$132,913	\$132,913
ESTIMATED SAVINGS FROM CONTRACTING FOR THE FIRST YEAR		\$107,063